

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

OCD Hobbs

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on page 2 DEC 10 2012

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

Water Injection

RECEIVED

2. Name of Operator

EOG Resources Inc.

3a. Address

P.O. Box 2267 Midland, Texas 79702

3b. Phone No. (include area code)

432-686-3689

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

S/L 662 FSL & 509 FWL, Sec 8, T25S, R34E
BHL 121 FNL & 2400 FEL, Sec 18, T25S, R34E7. If Unit or CA/Agreement, Name and/or No.
Red Hills North Unit8. Well Name and No.
Red Hills North 811 Unit9. API Well No.
30-025-3298010. Field and Pool, or Exploratory Area
Red Hills; Bone Spring11. County or Parish, State
Lea NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input checked="" type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Attached is an MIT test performed 11/2/12 to 500 psi for 30 minutes in compliance with BLM order dated 10/12/2012.

This well did not fail 5/1/12 as previously reported due to misinformation. The well is open to inject, but unable to inject due to reservoir pressure.

Accepted for Record Only

OCD/EGG 12-10-2012

accept for record w/
attached incident of
noncompliance 12/05/2012 PRJ

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Stan Wagner

Title Regulatory Analyst

Signature

Date 11/8/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

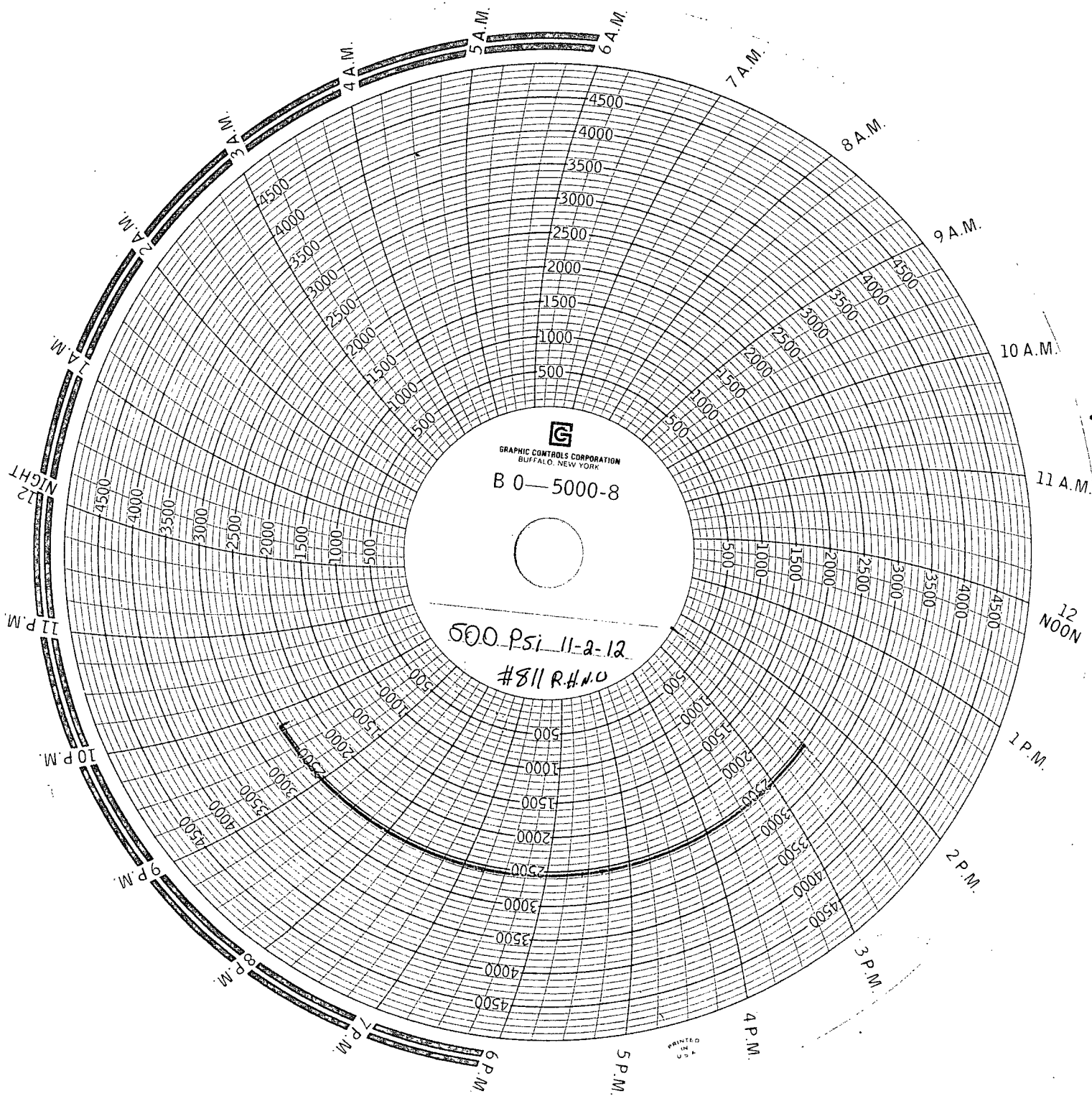
Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ACCEPTED FOR RECORD

DEC 6 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

DEC 10 2012



☒ Certified Mail - Return
Receipt Requested
7009141000021827709☐ Hand Delivered Received
byUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMNM108500
CA	
Unit	NMNM104037X
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE	Operator EOG RESOURCES INCORPORATED
Address 414 WEST TAYLOR HOBBS NM 88240	Address P O BOX 2267 MIDLAND TX 79702
Telephone 575.393.3612	Attention
Inspector SWARTZ	Attn Addr

Site Name RED HILLS NORTH UNIT	Well or Facility 811	1/4 1/4 Section SWSW 8	Township 25S	Range 34E	Meridian NMP	County LEA	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
12/05/2012		instruction of the Authorized Officer	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
01/05/2013			43 CFR 3163.1()

Remarks

This well is out of compliance with the Order(s) of Authorized Officer dated 09/04/2012 and 10/12/2012 attached to EOG submitted subsequent sundry dated 05/10/12 and a notice of intent dated 9/19/12.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title	Signature	Date
Company Comments		

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>Paul R Swartz</i>	Date 12/05/2012	Time 1500 hrs
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FOR OFFICE USE ONLY

Number 50	Date	Assessment	Penalty	Termination
Type of Inspection WK				

BLM Remarks, continued

A subsequent report of 11/08/2012 states: "The well is open to inject, but unable to inject due to reservoir pressure." This condition translates into lack of beneficial use of the wellbore. The MIT submitted was not BLM witnessed as called for by the COA and is viewed as not being conducted. Both failures of compliance required that a procedure to plug and abandon the well be submitted for BLM approval on or before 11/15/2012.

That procedure was not submitted. This Incident of Noncompliance is issued in response to all failures to comply with the Order(s) of Authorized Officer dated 09/04/2012 and 10/12/2012.

Order of the Authorized Officer

EOG Resources Inc.
Red Hills North Unit - 811
API 30-025-32980
T25S-R34E, Sec 08
December 06, 2012

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization and was shut in due to failure on 05/01/2012.

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of production in **paying quantities** or of service use.

Consider the beneficial use prospects and the wellbore integrity of this well. Submit your plan for BLM approval on the Sundry Notice Form 3160-5 (an original and 3 copies).

As the operator you are required to: **Prove the production casing integrity from no more than 100 feet above the perforations or open hole with a documented minimum pressure test of 500 psig for 30 minutes. Return the well to production or beneficial use on or before 1/05/2013.**

Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Pressure leakoff will be evaluated site specifically and may restrict continued operation approval. Twenty four hours before the test contact BLM to witness; email Andy Cortez acortez@blm.gov or phone 575-393-3612 or 575-631-5801. If no answer, leave a voice mail with the API#, workover purpose and a call back phone number. Note the contact, time, & date in your subsequent report.

Should the mechanical integrity test fail or not be conducted submit a procedure to plug and abandon the well for BLM approval on or before 1/05/2013.

A detailed justification is required to receive an extension of this date.

PRS/JAM 120612